

REDEVELOPMENT AGENCY
of the
CITY OF OREM
December 9, 2014

CONDUCTING	Chair Richard F. Brunst, Jr.
BOARD OF DIRECTORS	Hans Andersen, Margaret Black, Tom Macdonald, Mark E. Seastrand, David Spencer, and Brent Sumner
APPOINTED STAFF	Jamie Davidson, Brenn Bybee, Ryan Clark, and Jackie Lambert

The Redevelopment Agency (RDA) Meeting convened at 7:15 p.m.

APPROVAL OF MINUTES – November 11, 2014

Mayor Brunst **moved** to approve the minutes of the November 11, 2014, Redevelopment Agency Meeting. Mrs. Black **seconded** the motion. Those voting aye: Hans Andersen, Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, Brent Sumner. The motion **passed** unanimously.

SCHEDULED ITEMS

RESOLUTION: Approve an Interlocal Cooperation Agreement between the Redevelopment Agency of the City of Orem and the Alpine School District

Ryan Clark, Economic Development Division Manager, recommended that the Redevelopment Agency of the City of Orem, by resolution, enter into the Interlocal Cooperation Agreement with the Alpine School District.

The Redevelopment Agency of the City of Orem desired to enter into this agreement to receive a portion of property tax increment generated within the University Place Community Development Area back from the Alpine School District. Tax Increment arising from the development of the Project may be used to pay for public infrastructure improvements, Agency requested improvements and upgrades, both off-site and on-site improvements, land incentives, desirable Project Area improvements, and other items as approved by the Agency.

Adoption of the Draft Project Area Plan would assist the City of Orem with business attraction and expansion, new job growth, increased tax revenues, and was anticipated to act as a catalyst to future development and reinvestment in the surrounding area.

Mr. Clark said the Alpine School District voted to approve the Interlocal Cooperation Agreement on November 25, 2014 with a 4-3 vote. The participation in this agreement was for twenty years. 65 percent of all new property tax revenues from new growth within the project would go to the

RDA, and 35 percent of all new property tax revenues from new growth would go to the Alpine School District.

Mr. Davidson said the City entered into an Interlocal Agreement with the Alpine School District, and the district was given copies of the agreement with their requested adjustments. In reviewing the signed copies of the Interlocal Agreement sent to the City on December 9, 2014, there were some changes made from the original redline copy that the City had not been made aware of. In conversation with the district superintendent and business administrator, they acknowledged that they had made those changes without allowing Orem City to review those changes. The material change of concern in the agreement was that a cap was placed on the amount the Alpine School District would contribute. This did not represent a significant deviation from the original agreement, but in the event that Woodbury Corporation wanted to invest a further amount the change would impact the amount Woodbury would receive. The City made contact with Randy Woodbury, president of Woodbury Corporation, in light of the changes made by the Alpine School District without the other parties' knowledge. Mr. Woodbury consented to move forward with the cap at 38.5 million dollars. Mr. Davidson said while the City was pleased to move forward with the agreement, he let the business administrator for the Alpine School District know that the City was not pleased about the agreement changing without notification or consultation with the City. The business administrator for the Alpine School District represented that the cap was a specific requirement in adopting the agreement.

Mr. Andersen asked if this needed to be delayed. Mr. Stephens addressed the public concern of the cap coming into play

Mayor Brunst **moved**, by resolution, to approve an Interlocal Cooperation Agreement between the Redevelopment Agency of the City of Orem and the Alpine School District. Mr. Macdonald **seconded** the motion. Those voting aye: Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, Brent Sumner. Those voting nay: Hans Andersen. The resolution **passed**, 6-1.

RESOLUTION - Approve an Interlocal Cooperation Agreement between the Redevelopment Agency of the City of Orem and Utah County

Mr. Clark recommended that the Redevelopment Agency of the City of Orem, by resolution, enter into the Interlocal Cooperation Agreement with Utah County.

The Redevelopment Agency of the City of Orem desired to enter into this agreement to receive a portion of property tax increment generated within the University Place Community Development Area back from Utah County. Tax Increment arising from the development of the Project may be used to pay for public infrastructure improvements, Agency requested improvements and upgrades, both off-site and on-site improvements, land incentives, desirable Project Area improvements, and other items as approved by the Agency.

Mayor Brunst said that the County commended the City for this project.

Kelly Pfof

Mayor Brunst **moved**, by resolution, to approve an Interlocal Cooperation Agreement between the Redevelopment Agency of the City of Orem and Utah County. Mr. Spencer **seconded** the motion. Those voting aye: Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, Brent Sumner. Those voting nay: Hans Andersen. The resolution **passed**, 6-1.

RESOLUTION – Approving and Adopting the Project Area Budget for the University Place Community Development Project Area Plan

Mr. Clark recommended that the Redevelopment Agency of the City of Orem, by resolution, approve and adopt the Project Area Budget for the University Place Community Development Project Area Plan. ***March 1st, 2018.

The Redevelopment Agency of the City of Orem, Utah (Agency) had approved the creation of the University Place Community Development Project Area Plan (Plan) by Resolution RDA-R-2014-0004 establishing a Project Area that includes University Mall. The City Council of the City of Orem had approved the Plan.

The Agency has entered into certain interlocal agreements with the Central Utah Water Conservancy District, the Orem Metropolitan Water District, the Alpine School District, and Utah County (collectively “Taxing Entities”) wherein the Taxing Entities have separately and individually agreed to remit to the Agency annually a portion of the tax increment generated within the Project Area for the purpose of providing funds to the Agency to carry out the Project Area Plan. A summary of the terms of those interlocal agreements are as follows:

Taxing Entity	Agreement Duration	Percent of Increment to Agency
City	20 Years	75%
County	20 Years	75%
School District	20 Years	65% ***
Water District	20 Years	75%
CUWCD	20 Years	75%

Pursuant to Utah state law, it was appropriate for the Agency to approve and adopt the Project Area Plan Budget.

Mayor Brunst at the end of the twenty years, what will that amount be?

Mr. Clark said about a 309 percent increase over the twenty years.

Mr. Macdonald asked who would get the 5 percent. The RDA.

Ms. Pfof cost/benefit analysis. Expected expenditures would .. Variable costs like infrastructure that add to costs. 45 million dollar benefit to the taxing entities above projection for participating in this project.

Mayor Brunst the ASD budget is 29 percent property tax, 55 percent comes from income tax. Income tax was not part of the CDA, net benefit would benefit the ASD greatly.

Mr. Macdonald **moved**, by resolution, to approve and adopt the Project Area Budget for the University Place Community Development Project Area Plan. Mr. Seastrand **seconded** the motion. Those voting aye: Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, Brent Sumner. Those voting nay: Hans Andersen. The resolution **passed**, 6-1.

ADJOURNMENT

Mr. Seastrand **moved** to adjourn the meeting of the Redevelopment Agency of the City of Orem and to reconvene the Orem City Council meeting. Mr. Spencer **seconded** the motion. Those voting aye: Hans Andersen, Margaret Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, Brent Sumner. The motion **passed** unanimously.

The meeting adjourned at 7:32 p.m.

Donna R. Weaver, City Recorder

Approved: March 24, 2015